GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:340
ANSWERED ON:09.08.2016
Price Monitoring by NPPA
Nishad Shri Ajay

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND PARLIAMENTARY AFFAIRS
(SHRI ANANTHKUMAR)

(a) to (d): A statement is laid on the Table of the House.

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Statement referred to reply to LOK SABHA STARRED QUESTION No. 333 to be answered on 9th August, 2016 regarding Bulk Drugs
(a): Yes, Madam. The imports of Bulk Drugs including from China are mainly done on economic considerations.
(b): The data relating to bulk drug production in the country is not maintained in the Department. However, as per the Boston Consultancy Group Report of October, 2013, the production of Active Pharmaceutical Ingredients (APIs) was about Rupees 65,000 Crores. The report mentions that approximately Rupees 23168 crores of APIs and advance Intermediates were imported in 2013. The imports from China amounted to 60%. In certain cases, the country is dependent on imports of bulk drugs for producing certain essential medicines. However, in some cases, these imports are taking place because of economic considerations.

(c): No, Madam. But the Government is facilitating and promoting Bulk Drug Industry through various measures.

(d): The Bulk Drug manufacturing facilities are at present mainly concentrated in Andhra Pradesh, Telengana and Gujarat. To further encourage domestic production of bulk drugs, the Government has on 28 January, 2016 notified the withdrawal of exemption in customs duties which were earlier given to certain categories of drugs and bulk drugs.

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Answer

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND PARLIAMENTARY AFFAIRS (SHRI ANANTH KUMAR)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. *340 for answer on 09/08/2016 regarding Price Monitoring by NPPA.

(a) & (b): In order to strengthen the enforcement activities and strictly monitor the prices of drugs across the country, the National Pharmaceutical Pricing Authority (NPPA), launched

(i) Integrated Pharmaceutical Database Management System (IPDMS) on 25th June, 2015 in collaboration with the National Informatics Centre (NIC). IPDMS facilitates on-line submission of mandatory returns under the DPCO, 2013 which in turn helps in monitoring and enforcement of prices of drugs.

(ii) Pharma Jan Samadhan (PJS) on 12th March, 2015. PJS is a web enabled system developed by the NPPA with the assistance of National Informatics Centre (NIC). PJS serves as a robust e-governance tool for protection of consumer interest through effective implementation of the Drugs (Prices Control) Order, 2013. PJS is a speedy and effective complaint redressal system with respect to availability of medicines, overpricing of medicines, sale of 'new drugs' without prior price approval and refusal of supply or sale of medicines. Any individual or consumer organization or stockist / distributor / dealer / retailer or State Drug Controller can lodge the on-line complaint to NPPA through PJS. Action on the complaint received through PJS with complete information is initiated within 48 hours by the NPPA.

(iii) A central sector scheme titled "Scheme of Consumer Awareness & Publicity and Price Monitoring" is currently under implementation. Under the scheme, it is proposed to set up Price Monitoring and Resource Units (PMRUs) in States under the State Drugs Controller. The scheme initially at the pilot stage will be implemented in the states of Maharashtra, Gujarat, Orissa, Haryana, Kerala, Assam and ManipurÂ¬Â¬Â¬Â¬Â¬Â¬Â¬Â¬Â¬. Since NPPA does not have field units, the PMRUs are expected to support

NPPA in its monitoring and enforcement activities.

NPPA has not sought any permission from NITI Aayog in this regard. The "Scheme of Consumer Awareness & Publicity and Price Monitoring" has been approved by Standing Finance Committee (SFC) of the Department of Pharmaceuticals in July, 2015.

(c): Data relating to overpricing of drugs in duty free zones is not specifically maintained by NPPA. NPPA fixes the ceiling prices of medicines under Schedule-I of DPCO, 2013 irrespective of the fact whether the manufacturing unit is in duty free zone or not.

(d): NPPA monitors whether scheduled formulations are being sold at ceiling prices or not. In case of non-scheduled formulations, NPPA monitors that the price of the formulation does not exceed 10% of the price in the preceding 12 months. To check the overpricing of drugs, the NPPA monitors the prices of medicines. Further, on a regular basis samples are purchased from the market and data received from State Drugs Controllers, complaints from public etc. are examined. The data uploaded by pharmaceutical companies on Integrated Pharmaceutical Database Management System (IPDMS) is also scrutinized to detect cases of overpricing of medicines. On detection of overcharging, NPPA issues show-cause notices and demand notices to the concerned companies for recovery of overcharged amount alongwith interest thereon @ 15% per annum from the date of default.

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